

Rebecca Klein
Chairman

Brett A. Perlman
Commissioner

Julie Parsley
Commissioner

W. Lane Lanford
Executive Director



Public Utility Commission of Texas

TO: Interested Parties

FROM: Nara Srinivasa, Telecommunications Division
Roger Stewart, Legal & Enforcement Division

RE: Project No. 20400 - § 271 Compliance Monitoring of Southwestern
Bell Telephone Company
Final Report, HP Audit of SBC re PM 13 & LMOS
Staff Draft Audit Task List – existing audit completion vs new work

DATE: May 14, 2003

In the May 9 open meeting, the Commissioners requested that Commission Staff prepare a list of audit tasks yet to be done – both those to be completed under the Agreement and those that may constitute follow-up/phase 2 work.

Staff asks for your written comments to the attached draft audit task list to be emailed by no later than noon on Monday, May 19, 2003 to the following:

Nara.Srinivasa@puc.state.tx.us

Roger.Stewart@puc.state.tx.us

Patrick.Tyler@puc.state.tx.us

Any such comments should be filed in Project No. 20400 as soon thereafter as possible. Comments should be very brief and should be entitled “[*Commenter’s Name*] Comments on Staff Draft Audit Task List.”

In addition, rather than providing service by paper copy to all interested parties, each commenter shall submit comments electronically to the Commission’s email list known as SWBTAUD. Any interested party not yet subscribing to that email list may do so by navigating to this URL and following the subscription instructions:

<http://puclist.puc.state.tx.us/scripts/telesubscribe.asp>

Further information regarding this project may be found at:

<http://www.puc.state.tx.us/telecomm/projects/20400/20400.cfm>

STAFF DRAFT AUDIT TASK LIST

Work to be Completed under Agreement

- 1) Determine the volume of orders associated with each of the five CLEC order types in Figure 4.2 for the HP Audit analysis months of January 2000, February 2001, November 2001, December 2001, and March 2002. (HP Final Report (HP FR) at 49-50, 51.)
- 2) Disregarding the independent verification objective, review and report on SBC's restatement of the PM 13 results for January 2000 to present to verify that the restatement includes all CLEC orders of types that will flow through EASE for SBC retail, and that rejects due to typographical or syntax errors are excluded from the restated results. (HP FR at 51-52.) Also provide the restatement results if PIC change orders and hunt group establishment orders were instead excluded from the PM 13 calculation, while rejects due to typographical or syntax errors were instead included.
- 3) Disregarding the independent verification objective, review and report on SBC's recalculation of PM 13 Tier 1 liquidated damages and Tier 2 assessments for January 2000 to present in accordance with the Audit Plan regarding, *inter alia*, PIC change orders, hunt group establishment orders, and orders rejected due to typographical or syntax errors. (HP FR at 61.)
- 4) Confirm that HP has verified that all manually-classified UNE-P trouble reports, including "unclassified" trouble reports, submitted by a CLEC to the LOC are accurately captured in the LMOS-related PMs. Otherwise, complete this verification task. (HP FR at 88.)

Follow-up / Phase 2 Work

- 1) Evaluate and report on the effectiveness of any SBC measures to remedy SBC's inadequate internal controls over CLEC service quality data and SBC's inadequate testing surrounding metrics-impacting system changes. (HP FR at vii, ix, 7-8.)
- 2) Review SBC's previously-undocumented / "not generally known" data handling processes and systems to determine whether errors in those processes and systems have been corrected, and whether those processes and systems have been adequately documented and made known to the Commission and CLECs. (HP FR at vii, ix, 7-8.)
- 3) Obtain / re-obtain EDI data from CLECs and compare to SBC-provided EDI files (for independent verification) to more precisely determine the quantity and percentage of orders not provided by SBC to HP for independent verification. (HP FR at 8 under "findings detail.")
- 4) As to those orders provided by SBC to HP for independent verification, review those orders SBC improperly omitted from PM 13/13.1 calculations (HP FR at vii, viii, 7-8) and then recalculate PM 13/13.1, making sure to include the 22 UNE-P order types mentioned in the HP FR at 52, PIC change orders, and hunt group establishment orders, while excluding orders rejected for typographical or syntax errors.

- 5) Determine whether SBC's data handling processes and systems comply with PM 13/13.1 by including PIC change orders and hunt group establishment orders, while excluding orders rejected for typographical or syntax errors.
- 6) Obtain two additional months of data for PMs affected by the past LMOS problem for Birch, along with three months of data for the same PMs for AT&T to determine the average correction factors to be applied for all CLECs. (HP FR at 96-99.)